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## APPENDIX B

## DIVERSION OF PETROLEUM FROM SEA TO OVERLAND TRANSPORT

In 1954 it was estimated that 300,000 tons of POL were delivered to China from Soviet Far East sources, 40/ of which 150,000 entered China by rail and 150,000 by the Sungarl River.

In 1955, 500,000 tons were estimated to have moved into China from the Soviet Far East, ht/ some of which came by tanker from the Black Sea. Again 150,000 tons of this POL were believed to have moved via the Sungari River. If 150,000 entered China by rail from Far East sources, there would be a balance of 200,000 tons which arrived at Grodekovo as the result of tanker shipment from the Black Sea with transshipment by rail through Vladivostok. Total tanker movement from Black Sea ports to the Soviet Far East in 1955 was estimated to be 485,000 tons,\* so that approximately 41 percent thereof was destined for China and the balance of 59 percent was for the USSR to supplement its inadequate Far Eastern production.

In 1956, the tanker movement from the Black Sea ports to the Soviet Far East came to some 580,000 tons,\* all of which cleared the Canal before its closing. In addition, tankers carrying about 51,000 tons of POL proceeded through the Canal prior to its closing from the Satellites to China and tankers carrying some 30,000 tons went through the Canal from the Satellites to North Vietnam. These figures are

<sup>\*</sup> Estimated from tonnage passing through the Bosporus, giving effect to lead time of approximately one month,

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townsges arriving in the Far East over an eleven month period. It is estimated that dry cargo vessels carried an additional 9,000 tons of petroleum products from the Satellites to China in 1956. Thus the closing of the Canal blocked a flow from west to east which had been moving at an average rate of about 60,000 tons per month. With an expected lag of one month before the impact of the closing would be felt in the Far East, POL shipments across Siberia by rail would have had to be increased as soon as a prolonged interruption had become a virtual certainty, probably within ten days to two weeks. They would theoretically have been curtailed a few days after tankers had again started to transit the Canal.

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